



Campo Limpo Paulista, June 27th 2007

## GENERAL PURCHASE CONDITIONS

### 1. Orders

- 1.1. The acceptance of this Purchase Order ("Order") issued by THYSSENKRUPP METALÚRGICA CAMPO LIMPO LTDA. ("TKMCL"), shall subject the Supplier to comply with all clauses and conditions mentioned below, which are an integral part hereof.
- 1.2. The conditions listed below shall prevail over the Supplier ones, and any change of the clauses thereof shall be valid only upon the written approval of TKMCL.
- 1.3. In case the Supplier does not agree with the conditions of this Order, it shall return such Order to TKMCL within five (5) days followed by a document justifying the non-acceptance. The failure to return the Order within the abovementioned period shall imply total agreement of the Supplier as to the terms of the Order.
- 1.4. The Supplier may not assign or transfer the rights and obligations arising out of the Order without the prior written consent of TKMCL.

### 2. Prices

- 2.1. The price contained in this Order is fixed and determined and may only be altered upon the written consent of TKMCL.
- 2.2. TKMCL may require a price reduction, provided a reduction in any of the items that compose this price is provenly verified.
- 2.3. In case there is a request for price adjustment, TKMCL is entitled to terminate the Order, in case it is not to its satisfaction.

### 3. Supply

- 3.1. For the delivery of the products and services, the Supplier shall meet the quality and terms set forth in the Order or in a writing issued by TKMCL.
- 3.2. The terms and quantities established in the Order shall be strictly observed by the Supplier.
- 3.3. TKMCL is ensured the right of not receiving or of returning quantities shipped by the Supplier in excess or out of term, or even of terminating this Order, without prejudice to the right of receiving from the Supplier a refund for the respective resulting damages and/or losses.

### 4. Warranty and Liability

- 4.1. The Supplier warrants that the products and services shall be produced and delivered strictly under the Order specifications, in perfect usage conditions and without any defects or failures.
- 4.2. The payment of the price by TKMCL shall not imply an acceptance of the products and services.
- 4.3. TKMCL shall refuse the products and services that do not meet the Order specifications or that present any failures, including supervening negligence, and shall be entitled to return them within sixty (60) days counted from the date of the delivery thereof.
- 4.4. The Supplier shall be accountable for all expenses and risks arising out of the return of products and services. In case the supplied products and services present a low output, the expenses thus resulting and the losses incurred by TKMCL shall be charged to the Supplier, and they may be deducted through compensation in any payment to be made by TKMCL to the Supplier. In case of late shipment of the goods or hired services, the Supplier shall be accountable for all costs resulting from extraordinary arrangements



that shall be necessary to mitigate the consequences thereof, such as overtime, special freights, air freights, use of special products and services, etc...

- 4.5. The Supplier shall be accountable for the damages its default causes to TKMCL and shall indemnify TKMCL for damages arising out of losses and impairments to components delivered to it for execution of a repair or warranty, such indemnification comprising the respective cost for replacement, in addition to tax and administrative charges.
  - 4.6. In case TKMCL becomes accountable before third parties for bad quality of the products and services, it shall have the right of recourse against the Supplier, and it shall exercise such right:
    - a) upon compensation of eventual credits the Supplier is entitled to;
    - b) upon entering a charge to the Supplier for immediate collection.
  - 4.7. The indemnification resulting from the warranty to be given by the Supplier shall encompass, in addition to the warranted property, occasional indemnifications to third parties for property damage and/or personal injury.
  - 4.8. Regardless from the warranty terms, the Supplier shall be liable for damages that may befall TKMCL arising out of judicial or extrajudicial actions that are ascribed to it in view of the non-compliance with the technical standards specified in this Order and/or its annexes.
5. Packaging, Transportation and Risks
- 5.1. The responsibility for the packaging, packing and transportation expenses shall be based on rules that govern the INCOTERM 2000. Such INCOTERM shall be defined in the Purchase Order as agreed upon in the tender.
6. Property Rights
- 6.1. Any and all material delivered to the Supplier for execution of this Order is the sole property of TKMCL and shall be returned to it after the performance of such Order or upon TKMCL's request.
7. Environmental Right
- 7.1. The Supplier warrants that the supplied products and services shall be produced or rendered under the laws, rules and regulations that govern the Environment Protection.
8. Patents and Trademarks
- 8.1. The Supplier represents it holds all rights in connection with trademarks, patents, drawings or utility models on the products that are the subject-matter hereof and that, consequently, it will be accountable for all claims filed by third parties.
9. Tax Documents
- 9.1. The products shall be followed by the documents described below, as requested by the Brazilian legislation with respect to foreign trade:
    - § Original Commercial Invoice
    - § Original Packing List
    - § Original AWB/BL
  - 9.2. TKMCL may refuse the products and services whose tax documentation presents irregularities, and the Supplier shall be accountable for the losses resulting thereof.



## 10. Rescission and Termination

10.1. TKMCL may rescind and terminate this Order by operation of law, without liability or charges of any nature, regardless of judicial or extrajudicial summons or notice, in the following events:

- a) In case of *force majeure* events, such as strike, fire, revolutions, suspensions of the manufacturing or assembly services, etc., which make it impossible for TKMCL to proceed with its regular production;
- b) In case of reorganization or bankruptcy of the Supplier, as well as insolvency evidenced by the protest of notes/ securities of any nature and;
- c) In case the Supplier violates any of the clauses or conditions contained in the Order, if it gives cause to successive product returns, or upon the occurrence of any of the termination events provided by law.

## 11. Inexistence of Links

The Supplier assumes full liability for any act of its assigns, representing, furthermore, there does not exist any labor relationship between such assigns and TKMCL, reason why it will immediately bear and take responsibility for any labor claim filed by such assigns, both as regards the defense and the resulting liens.

## 12. Child Labor

The Supplier commits itself not to hire Child Labor or irregular labor of adolescents.

## 13. Confidentiality

The Supplier commits itself to keep confidential the information received from TKMCL as a result of this Purchase Order, such as specifications, technical data, commercial data and others, not disclosing them in any way, under any pretense, otherwise than to its employees that need the information for the performance of the subject-matter hereof, under penalty of being liable for damages, with no prejudice of the criminal responsibility determination of its legal representatives and employees.

## 14. Governing Law and Jurisdiction

The interpretation and performance of this Purchase Order and of all matters related hereto shall be governed by the laws of the Federative Republic of Brazil, and the court of the City of Campo Limpo Paulista, State of São Paulo, is elected to settle any disputes arising out of or relating to this Purchase Order, to the exclusion of any other courts, however privileged they may be.